REMARKS

This application has been reviewed in light of the Office Action mailed April 24, 2007. Reconsideration of this application in view of the below remarks is respectfully requested.

Claims 1 – 27 are pending in the application with Claim 1, 12, 17, 22, 24 and 26 being in independent form. By the present amendment, Claims 1, 12, 17, 22, 24 and 26 are amended.

Claims 1, 12, 17, 22, 24 and 26 have been amended to recite that the encoder controller controls the compressed video image data at <u>periodic intervals</u> in response to parameters selected from number of frames, recording time and amount of free area on the recording medium.

Support for this feature is provided throughout the specification, for example see FIG. 3, 6 and 8, and the corresponding portions of the specification. Therefore, no new subject matter is introduced into the disclosure by way of the present amendment.

I. Rejection of Claims 1-27 Under 35 U.S.C. § 102(b)

Claims 1 – 27 are rejected under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 6,144,797 issued to MacCormack et al.

The video security system disclosed in MacCormack et al. includes a compression circuit that applies a JPEG compression to the individual reference fields of the video being recorded, while the difference fields are only recorded and compressed if a significant amount of change in the scene has occurred in comparison to the reference field. A user of the MacCormack et al. system controls the recording quality of the video prior to initiation of recording by selecting quality settings from a drop-down list. (See: Col. 86, lines 3 – 30).

There is, however, no disclosure of an encoder controller, which controls a frame size, a frame rate, and an average bit rate of the compressed video image data at periodic intervals in

response to parameters selected from number of frames, recording time and amount of free area on the recording medium, as recited in Applicants' claims.

With regards to the free area on the recording medium, MacCormack et al. discloses two options, the first being recording data until the medium is full and the second being recording video data on the recording medium in a continuous loop. There is no disclosure of controlling any aspect of the video compression based on the amount of free space on the recording medium.

Moreover, the periodic control of the frame size, frame rate, and/or average bit rate of the compressed video image data allows the claimed invention to deal with changes in the available free space on the recording media caused by operations performed by applications other than the encoder of the claimed invention. Such other applications may store or delete files on the recording media, which would change the available free space on the recording media. Unlike the claimed invention, MacCormack et al. can not adjust for these changes in free space.

It is well-settled by the Courts that "[A]nticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." <u>Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Company</u>, et al., 730 F.2d 1452, 221 USPQ 481 (Fed. Cir., 1984).

Therefore, as demonstrated above, because MacCormack et al. does not disclose each and every element recited in the present claims, Applicants respectfully submit that the rejection has been obviated. Accordingly, Applicants respectfully request withdrawal of the rejection with respect to Claims 1-27 under 35 U.S.C. § 102(b).

CONCLUSIONS

In view of the foregoing amendments and remarks, it is respectfully submitted that all claims presently pending in the application, namely, Claims 1 - 27 are believed to be in condition for allowance and patentably distinguishable over the art of record.

If the Examiner should have any questions concerning this communication or feels that an interview would be helpful, the Examiner is requested to call Applicant's undersigned attorney at the number indicated below.

Respectfully submitted,

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